

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA
Nos. 14-1166 and 14-1200

MANORCARE OF KINGSTON PA,)
LLC,)
)
Petitioner)
)
v.)
)
)
NATIONAL LABOR RELATIONS)
BOARD,)
)
Respondent)
)

**ATTACHMENT A TO PETITIONER'S REPLY TO NATIONAL LABOR
RELATIONS BOARD'S RESPONSE TO MOTION FOR ATTORNEY FEES**

AFFIDAVIT OF KATHRYN HOOPS

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA
Nos. 15-1034 and 15-1045

HEARTLAND PLYMOUTH COURT)	
MI, LLC, d/b/a HEARTLAND HEALTH)	
CARE CENTER – PLYMOUTH COURT)	
)	
Petitioner)	
)	
v.)	
)	
NATIONAL LABOR RELATIONS)	
BOARD,)	
Respondent)	
)	

AFFIDAVIT OF KATHRYN HOOPS

NOW COMES Kathryn Hoops, who swears under oath as follows:

1. I am the Vice President, Controller and Director of Tax for HCR Manor Care (HCR). My office is at the Company's headquarters located in Toledo, Ohio.
2. I have been an officer of HCR since 2003 and have been Vice President, Director of Tax during my entire tenure. I have held the additional position of Vice President Controller since 2012.
3. ManorCare of Kingston PA, LLC (Kingston) is one of many nursing homes, which are operated by indirect subsidiaries of HCR. These subsidiaries operate as separate legal entities from HCR. Like all of these

subsidiaries, Kingston has its own profit and loss (P&L) statement and its own balance sheet. Another subsidiary entity, HCR Manor Care Services, LLC (HCR Services) provides certain services to HCR subsidiaries pursuant to a services agreement. One of these services is obtaining and managing third-party legal services as necessary for each subsidiary. Throughout my tenure, all outside legal services obtained for specific subsidiaries have been charged back to the subsidiary for whom the services were performed.

4. For outside legal services, HCR Services uses a software system known as Counsel Link. Whenever a new legal matter arises, that matter is entered into Counsel Link and is assigned a matter number specific to that case. For labor and employment matters, new legal matters are set up and approved by the Human Resource department. Beth Kaczor is HCR's Vice President of Human Resources.
5. As an example, for Kingston, a new legal matter was created in 2014 for "MCHS-Kingston – R Case Petition – Election Appeal." The Counsel Link number assigned to that matter was M20661378.
6. The law firms who provide services submit their invoices to HCR Services electronically through Counsel Link. They are reviewed and then approved for payment, at which time they are entered into an

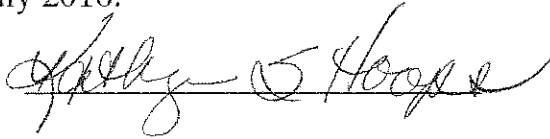
accounts payable software program known as Basware. The fees are then reviewed a second time, and if they are in order, they are approved for payment. Once approved, the fees are transferred to the General Ledger software known as PeopleSoft and payment is made for the services. At that time, the fees are immediately charged to the P&L statement for the subsidiary for whom the legal services have been provided. For invoices that are still in process (not yet approved) at the end of the month, appropriate accruals are made on the financial statements of the subsidiary for whom the services were provided.

7. Throughout my tenure, all legal services for a subsidiary such as Kingston have been charged to that subsidiary's financial statement. All of HCR's subsidiaries know and understand that they are responsible for all legal fees incurred on their behalf.
8. Attached hereto as Exhibit A is a summary report, which reflects the legal fees (from the law firm of Constangy, Brooks & Smith) incurred by Kingston and charged to Kingston's financial statements since 2013. These fees include (in addition to any other legal matters that may have been created for Kingston) all legal fees incurred for Counsel Link matter M20661378 "MCHS-Kingston – R Case Petition – Election Appeal."

9. In the event that Kingston were to recover attorney fees previously charged to the facility, an appropriate credit would be made to Kingston's financial statements to reflect such recovery.

I swear under oath that the statements made herein are true and correct and based upon my personal knowledge, except as otherwise indicated.

Dated this 12th day of July 2016.

A handwritten signature in black ink, appearing to read 'Kathryn Hoops', written over a horizontal line.

Kathryn Hoops

EXHIBIT A

559 Kingston**Vendor Specific Legal Fees**

	2013	2014	2015	2016
CONSTANGY BROOKS & SMITH LLC	55,563	146,789	116,225	3,522